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O 021010Z OCT 06  
FM AMCONSUL JERUSALEM  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5201  
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L JERUSALEM 004349

SIPDIS

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR WILLIAMS/MAHER/STEINGER;  
OPS PLEASE PASS TO NSC FOR ABRAMS/DORAN/WATERS; TREASURY  
FOR SZUBIN/LOEFFLER/NUGENT/ADKINS;

E.O. 12958: DECL: 09/29/2016

TAGS: EFIN EAID KWBG

SUBJECT: PA PRESIDENT'S OFFICE DISBURSES NIS 1500  
ALLOWANCES

REF: JERUSALEM 4232

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶1. (SBU) The PA Presidency publicly confirmed September 28 that it disbursed USD 65 million total in allowances, funds for overseas missions, and payments to some suppliers this week, using funds received from Saudi Arabia (USD 15 million) and Qatar (USD 50 million). Allowances of NIS 1500 (USD 345) would be deposited in bank accounts that evening for the same group that had received back-to-school allowances in August.

¶2. (C) PA Presidential Economic Advisor Mohammed Mustafa confirmed September 28 to EconChief that commercial banks would deduct up to 20 percent of an allowance if the recipient owed an outstanding loan payment to the bank. According to Mustafa, the Presidency had tried to convince the banks to only deduct ten percent but the banks had refused. Palestinian Monetary Authority Governor George Abed told EconChief September 28 that banks had been making deductions for outstanding loan payments on Temporary International Mechanism payments as well. Abed said that the overall portfolio of PA employee loans held by commercial banks had actually decreased by about USD 35 million within the last couple months.

WALLES